

LAW ENFORCEMENT MISSION AREA SUMMARY**MISSION: SAFEGUARD OUR FINANCIAL SYSTEMS, PROTECT OUR NATION'S LEADERS, SECURE A SAFE AND DRUG-FREE AMERICA**

Treasury's law enforcement functions represent a significant portion of the Federal Government's law enforcement effort. Combining regulatory and investigative expertise, Treasury's law enforcement responsibilities are unique and critical to fostering a safe nation.

The U.S. Customs Service (Customs) plays a critical role in protecting our borders by preventing the smuggling of drugs and other contraband and money laundering, and ensuring that all goods and persons entering and exiting the United States do so in compliance with all U.S. laws and regulations. The Bureau of Alcohol, Tobacco and Firearms (ATF) combats violent crime, collects revenue, and promotes regulatory compliance through its enforcement of Federal laws and regulations pertaining to alcohol, tobacco, firearms, explosives and arson. The U.S. Secret Service protects the President, Vice President, visiting foreign heads of state and major presidential candidates; provides uniformed protection of the White House; and coordinates the design, planning, and implementation of security operations for National Special Security Events. The Secret Service also suppresses counterfeiting and financial crimes involving the currency, obligations and securities of the United States. The Financial Crimes Enforcement Network (FinCEN) implements regulations to combat money-laundering and serves as a key source for the systematic collection, analysis and dissemination of information to assist in the investigation of money laundering and financial crimes. The Internal Revenue Service (IRS) enforces compliance with tax laws and uses its unique financial investigative capabilities to suppress money laundering and financial crime. The Federal Law Enforcement Training Center (FLETC) trains the vast majority of Federal law enforcement personnel, in addition to providing State, local, and international training. Basic training is provided to police and investigative personnel and advanced programs are provided in areas of common need. The Executive Office for Asset Forfeiture (TEOAF) manages the funds generated by the Treasury Forfeiture Fund with the goal of dismantling criminal organizations by taking the profits out of crime. Office of Foreign Assets Control (OFAC) administers economic sanctions against selective foreign countries, international narcotics traffickers, and international terrorists in furtherance of U.S. foreign policy and national security goals.

In achieving the goals in this mission area, Treasury works closely with other departments and agencies with cross-cutting activities to ensure coordination. These include the Departments of Justice, State, Defense, Commerce, Interior, Agriculture, and Transportation, the Central Intelligence Agency, and the Federal Reserve Board. In addition, Treasury coordinates with various Executive Offices, such as the Office of National Drug Control Policy and the National Security Council.

FY 2000 Highlights

- In March 2000, Treasury published the second in a series of five annual reports on National Money Laundering Strategy (NMLS) as required by the Money Laundering and Financial Crimes Strategy Act of 1998. The Strategy contains over 60 action items to help law enforcement and regulatory agencies in the fight against financial crimes, including money laundering.
- The total quantity of narcotics seized by the United States Customs Service in FY 2000 was up by 145,352 pounds, or 12.8 %, over that seized in FY 1999. The seizure of methamphetamine, by weight, increased by 20.5%. The epidemic rise in the use of the drug "ecstasy" has resulted in tripling the number of dosage units seized to more than 9.3 million units in FY 2000.
- In September 2000, ATF's new "eZ Check" system went online on the Internet. The new system helps members of the firearms industry ensure that no firearms licenses are used fraudulently by individuals who alter copies of licenses to illegally acquire and supply firearms to criminals and youth.
- Consistent with the FY 2000 performance plan targets, the Secret Service completed 6,218 financial crime cases involving \$379 million in actual losses and \$980 million in potential losses, resulting in 3,646 arrests.

Department of the Treasury -- FY 2000 Program Performance Report

- FinCEN continued to provide analytical case support to law enforcement, providing over 6,000 reports on over 30,000 subjects. FinCEN also provided specially tailored forms of assistance that allowed other agencies' staff to have direct access to FinCEN's resources. Through these programs, FinCEN supported 7,000 cases in FY 2000, an increase of 24 percent over the previous year.
- Under the Foreign Narcotics Kingpin Designation Act ("the Kingpin Act"), signed into law on December 3, 1999, OFAC administers a program targeting the activities of significant foreign narcotics traffickers and their organizations on a worldwide basis. The Kingpin Act is modeled after OFAC's economic sanctions program against Colombian drug cartels. Following extensive interagency preparation coordinated by OFAC, on June 1, 2000, President Clinton identified 12 foreign persons, located in Africa, Asia, the Caribbean and Mexico, as significant foreign narcotics traffickers or "Kinpins."
- In FY 2000, in addition to meeting all basic training demands from participating agencies, the FLETC provided advanced training to 10,985 students. Additionally, 3,383 state and local law enforcement officers and 323 international officers were trained at the FLETC facilities and export training sites.

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
58	43 (74%)	12 (21%)	3 (5%)	33 (57%)

GOAL: COMBAT MONEY LAUNDERING AND OTHER FINANCIAL CRIMES

To enjoy the profits of their crime, whether drug trafficking, fraud, firearms trafficking, or terrorism, criminals must launder their proceeds to get them into legitimate commerce. Along with other Federal departments and agencies, Treasury battles money laundering by employing state-of-the-art technology and undercover investigations to identify illegal financial activity that is intermingled with actual or apparent legal activity. Treasury also works with the private sector to enhance the usefulness of financial information provided by banks and other financial institutions. Since money laundering is prevalent throughout the United States and around the world, Treasury endeavors to build and strengthen alliances with State, local, and international partners. The Department is also responsible for conducting investigations of criminal activities that threaten our Nation's financial systems and economy. Specifically, Treasury is responsible for investigating the counterfeiting of currency and securities; forgery and altering of Government checks and bonds; thefts and frauds relating to Treasury electronic funds transfers; financial access device fraud; telecommunications fraud; computer and telemarketing fraud; and fraud related to federally insured financial institutions.

Key Partners in Achieving this Goal Include: The Departments of Justice and State, the National Security Council, the Federal Reserve Board, various financial institutions (banks, credit unions, money service businesses), state and local authorities, and various international working groups (Financial Action Task Force, Asia Pacific Group on Money Laundering, Inter-American Drug Abuse Control Commission)

Benefits to the American Public: Protection of financial systems is key to ensuring economic stability of our Nation.

FY 2000 Highlights

- During FY 2000, the Secret Service reported that there were \$76 of counterfeit U.S. currency passed for every million dollars of genuine currency in circulation. The FY 2000 figure represents a decrease from FY 1999 and a \$19 decrease from the established FY 2000 target. There were \$39.7 million in counterfeit notes passed domestically in FY 2000, 12% less than originally projected. A total of \$1.4 million in counterfeit U.S. currency was passed in foreign countries during FY 2000. The Secret Service successfully closed 12,089 counterfeit cases, resulting in 3,958 arrests, and 578 counterfeit plant suppressions.
- Consistent with the FY 2000 performance plan targets, the Secret Service completed 6,218 financial crime cases involving \$379 million in actual losses and \$980 million in potential losses, resulting in 3,646 arrests.
- By forging partnerships with foreign law enforcement agencies, the Secret Service seized \$191 million in counterfeit U.S. currency prior to it reaching circulation and suppressed 27 counterfeit plant operations in foreign countries along with many significant successful investigations in the financial crimes arena.
- Customs officers seized a combined \$42.1 million in real property and other property as a result of money laundering cases. The value of real property seizures and seizures of other types of property as a result of money laundering cases has increased by \$11.7 million from the FY 1999 figure and by \$4.6 million over the projected target figure for FY 2000.
- In Outbound operations, over \$62 million in smuggled currency was seized, the second highest annual total in Customs history.
- In March, 2000, Treasury published the second in a series of five annual reports on National Money Laundering Strategy (NMLS) as called for by the Money Laundering and Financial Crimes Strategy Act of 1998. The Strategy contains over 60 action items to help law enforcement and regulatory agencies in the fight against financial crimes, including money laundering.
- The Financial Crimes Enforcement Center (FinCEN) provided analytical case support to law enforcement, providing over 6,000 reports on over 30,000 subjects. FinCEN also provides specially tailored forms of assistance to law enforcement agencies that permit their staff to have direct access to FinCEN's resources. Through these programs, FinCEN supported 7,000 cases in 2000, an increase of 24 percent over the previous year.

- FinCEN also continued to expand opportunities for networking investigative efforts among various agencies using its systems to identify when two or more federal or state law enforcement organizations are looking at the same set of suspects. The number of networking opportunities through the Gateway program alone increased by 34 percent in FY 2000.
- FinCEN continued to support the expansion of countries or jurisdictions having financial investigative units (FIUs) that meet the standards of the Egmont Group. In FY 2000, the number of Egmont FIUs increased from 48 to 53.

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
25	21 (84%)	3 (12%)	1 (4%)	15 (60%)

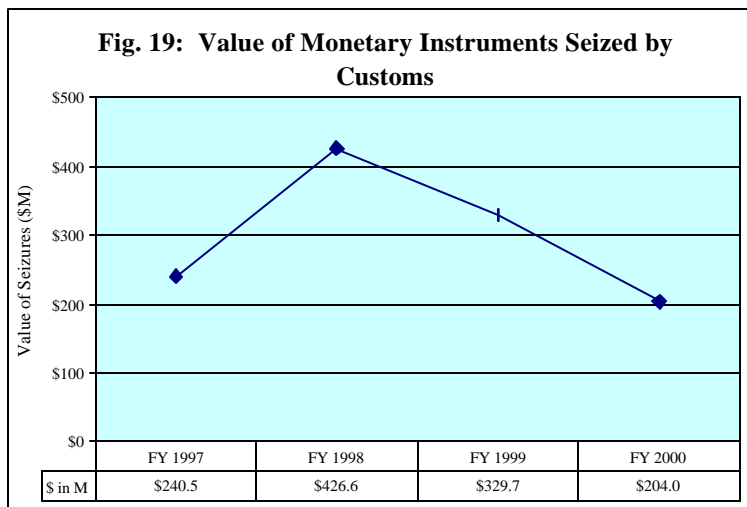
Treasury Objective: Dismantle Domestic and International Money Laundering Networks

Key Trends

Money laundering is the act of disguising the illicit nature of illegal proceeds by introducing them into legitimate commerce and finance. The common image of money laundering involves the "washing" of drug money off the streets of our cities through transactions that turn it into bank deposits and other apparently lawful assets. Criminals launder money through banks, money transmitters, stock brokerage houses, and casinos. Today, large amounts of money involving illegal proceeds can be moved into or through the United States or foreign financial institutions at the touch of a computer button.

While no hard numbers exist on the amount of worldwide money laundering, the global volume has been estimated to be somewhere between \$600 billion and \$1.5 trillion or between two and five percent of the world's gross domestic product.¹ In light of American financial institutions' prominent role in the international financial system, a substantial amount of total illegal proceeds is likely laundered through the United States each year.

Only a small fraction of these proceeds are confiscated. For example, the value of all forms of monetary instruments (e.g., currency, bank accounts, traveler's checks, negotiable bonds) seized by, or in cooperation with, Customs officers for violations related to drug and other enforcement activities during FY 2000 was roughly \$200 million (see Fig. 19).



Treasury Programs

Several Treasury bureaus cooperate in the fight against money laundering:

The Internal Revenue Service's Criminal Investigation Division (IRS-CID) investigates criminal and civil money laundering and currency reporting violations under the criminal financial codes of Titles 18 and 31, and has primary investigative jurisdiction for money laundering crimes involving banks and other financial institutions.

The U.S. Customs Service's (Customs) primary anti-money laundering role is to conduct illegal drug and currency interdiction at the U.S. borders. Customs also enforces the reporting of currency and reporting of currency and monetary instruments brought into and removed from the United States, as required by the Bank Secrecy Act. Customs has a broad grant of authority to conduct international financial crime and money laundering investigations and initiatives within its role as a border enforcement agency. In addition, Customs operated the Money Laundering Coordination Center, which serves as a depository for all intelligence information gathered through undercover money laundering investigations and functions as the coordination center for both domestic and international undercover money laundering operations.

The Financial Crimes Enforcement Network (FinCEN) supports law enforcement investigative efforts and fosters interagency and global cooperation against domestic and international financial crimes, and provides U.S. policy makers with strategic analyses of domestic and worldwide money laundering developments, trends, and patterns. FinCEN accomplishes this through information collection, analysis and technological assistance to other law enforcement organizations, and through the cost-effective implementation of the Bank Secrecy Act and other Treasury authorities.

¹ Source: National Money Laundering Strategy (March 2000)

The Secret Service and the Bureau of Alcohol Tobacco and Firearms (ATF) both investigate money-laundering cases as part of their traditional law enforcement functions.

The Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision both provide guidance on money laundering issues to the institutions they regulate and examine those institutions for compliance with Bank Secrecy Act requirements.

Other agencies involved in fighting money laundering include the Department of Justice's Federal Bureau of Investigation, Drug Enforcement Administration and the ninety-four U.S. Attorney's Offices, the United States Postal Inspection Service, and the Department of State.

FY 2000 Key Accomplishments and Performance Results

Key Accomplishments

- In March 2000, Treasury published the second in a series of five annual reports on National Money Laundering Strategy (NMLS) as called for by the Money Laundering and Financial Crimes Strategy Act of 1998. The Strategy contains over 60 action items to help law enforcement and regulatory agencies in the fight against financial crimes, including money laundering.
- **IRS-CID** contributed significantly to the development of the NMLS and is deeply involved in implementing all aspects of the Strategy. One key action item is the designation of High-Risk Money Laundering and Related Financial Crime Areas (HIFCAs). The designation of HIFCAs is intended to concentrate Federal, state and local law enforcement efforts on combating money laundering in high-intensity money laundering zones. IRS-CID supports each of the four HIFCAs, and maintains a strong presence in each one. Additionally, during FY 2000, 1,606 of the 3,372 (47.6%) cases investigated by IRS-CID involved money laundering or currency violations. IRS-CID has seized millions of illegal drug profits, including one investigation that resulted in a seizure of over \$130 million.
- **Customs:** In FY 2000, seventy-four percent of Customs' 4.8 million investigative staff-hours were dedicated to narcotics smuggling and money laundering. As a result, Customs seized \$204.1 million in monetary instruments resulting from illicit activities, and a combined \$42.1 million in real property and other property resulting from money laundering cases.
- Customs has seen a shift in criminal money laundering strategies over the last few years. Because of effective enforcement, some of the established methods have given way to riskier smuggling techniques, such as shipments of bulk cash. In FY 2000 "Outbound" operations, over \$62 million in smuggled currency was seized, the second highest annual total in Customs history. In one case, Operation Powerplay, Customs made 262 currency seizures totaling over \$11.3 million. This outbound enforcement operation also resulted in 38 federal currency arrests, 107 National Criminal Information Center (NCIC) arrests, and 39 state and local arrests, including individuals wanted for child pornography, incest, armed robbery, DUI, drug possession, and domestic violence.
- **FinCEN:** FinCEN continued to provide analytical case support to law enforcement, providing over 6,000 reports on over 30,000 subjects. FinCEN also provided specially tailored forms of assistance that allowed other agencies' staff to have direct access to FinCEN's resources. Through these programs, FinCEN supported 7,000 cases in FY 2000, an increase of 24 percent over the previous year.
- FinCEN also continued to expand opportunities for networking investigative efforts among various agencies using its systems to identify when two or more federal or state law enforcement organizations are looking at the same set of suspects. The number of networking opportunities through the Gateway program alone increased by 34 percent in FY 2000.
- **OCC:** During FY 2000, the OCC published a new Bank Secrecy Act/Anti-Money Laundering Examination Handbook to provide guidance on compliance and examination issues related to money laundering.

Department of the Treasury -- FY 2000 Program Performance Report

Performance Results

Following is a report on the performance targets in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
19	15 (79%)	3 (16%)	1 (5%)	12 (63%)

Customs Service Performance Goal: To identify, disrupt and dismantle the systems and criminal organizations that launder the proceeds generated by smuggling, trade fraud, and export violations

Performance Measure: Value of Property Seized (in millions)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
\$34.4	\$22.6	\$30.4	\$37.5	\$42.1

Explanation of Measure: The monetary value of tangible property (real estate, vehicles, jewelry) seized within the territorial jurisdiction of the United States (or in foreign pre-clearance locations) by or with the participation of Customs officers, in association with financial crimes investigations, as recorded in the Customs Case Management System.

Performance Measure: The Value of All Forms of Monetary Instrument Seizures (in millions)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
\$240.5	\$426.6	\$329.7	\$336.6	\$204.1

Explanation of Measure: The value of all forms of monetary instruments (currency, bank accounts, traveler's checks, negotiable bonds, etc.) seized within the territorial jurisdiction of the United States (or in foreign pre-clearance locations) by or with the participation of Customs officers, in association with financial crimes investigations, as recorded in the Customs Case Management System.

Explanation of Shortfall: The primary reason for the shortfall is the shift in outbound cash smuggling methods used by criminal organizations. The shift in these smuggling methods is partially due to the immense success of Operation Casablanca and other high profile money laundering operations. As a result, much of FY 2000 was spent re-targeting high-risk smuggling areas currently utilized by money launderers. The re-targeting effort has created a time lag between the new types of money laundering cases worked and the number of seizures associated with these cases.

Financial Crimes Enforcement Network Performance Goal: Provide quality and timely investigative support and networking to FinCEN's customers

Performance Measure: Percent of the Total Gateway Query Results that are Rated as Valuable

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	--	60%	No Data

Explanation of Measure: FinCEN's case support includes providing raw data and analytical reports to federal, state and local law enforcement. The purpose of this measure is to ascertain the effectiveness and usefulness of work products.

Explanation of Shortfall: No data was captured to report on accomplishments against this target. The Gateway System was not redesigned as planned to capture the necessary data. FinCEN is examining other mechanisms to capture feedback from Gateway customers in the future.

Performance Measure: Number of Tactical Cases Completed

- (a) # of subjects
(b) # of cases

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
(a) 23,573	26,732	36,483	28,000	36,209
(b) 6,739	6,816	6,868	6,500	6,151

Explanation of Measure: This measure provides an indicator of the yearly activity level of financial intelligence case support provided to law enforcement and regulatory communities.

Explanation of Shortfall: As FinCEN continues to expand the number of Federal users with access to Bank Secrecy Act information through the Gateway Program, fewer routine cases will be handled by FinCEN analysts. The plan is for FinCEN analysts to handle primarily more complex, high-profile cases to make the most effective use of limited staff.

Performance Measure: Number of Interagency Alerts Issued by the Gateway System

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
920	1,429	1,580	1,500	2,123

Explanation of Measure: This measure provides an indicator of the number of opportunities FinCEN has to reduce duplicative investigative efforts and to enhance cooperative efforts among law enforcement entities. (The Gateway system notifies FinCEN when an individual, business, or organization has been queried by a user and is the subject of an investigation by another agency.)

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Performance Measure: Percent of Increase in the Number of Non-Paper Suspicious Activity Reports (SARs) Filed

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
30%	--	38%	40%	48%

Explanation of Measure: This measure monitors the progress achieved in converting financial institutions to filing non-paper SARs. The increase in non-paper filing will provide increased timeliness and quality of the reports.

Financial Crimes Enforcement Network Performance Goal: Provide useful information to law enforcement and regulatory partners about trends, patterns, and issues associated with money laundering

Performance Measure: Number of New Systems and Databases Developed or Enhanced by Integrating Advanced Tools for Use in Intelligence, Investigative, and Management Support

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
1	12	8	7	11

Explanation of Measure: This measure indicates how well FinCEN capitalizes on new technology and advanced computer systems to assist analysts in accessing and analyzing information, and in communicating with the law enforcement, regulatory, and international communities.

Performance Measure: Number of Analytical Projects Culminating in the Issuance of Reports, Studies and/or Oral Presentations That Were Deemed of Value to Law Enforcement Investigative Efforts

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
1	4	9	12	20

Explanation of Measure: This measure indicates progress in providing analytically based reports and studies that are of value to law enforcement investigative efforts. The projects are comprehensive and assist the law enforcement, regulatory, and banking communities to better detect and prevent money-laundering activity.

Financial Crimes Enforcement Network Performance Goal: Administer effectively the Bank Secrecy Act in order to support prevention, detection, and prosecution of money laundering

Performance Measure: Number of 'Partnership Efforts' with Law Enforcement, Regulatory, and Financial Communities to Design Workable and Cost-Efficient Anti-Money Laundering Rules

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
5	8	11	8	17

Explanation of Measure: Explanation of Measure: This measure is designed to evaluate FinCEN's regulatory reform goals. FinCEN's goal is to reduce the regulatory burden on financial institutions while at the same time maintaining the benefit to law enforcement of the regulatory data collected. The effectiveness of FinCEN's regulatory proposals depends on participation of law enforcement, regulatory, and financial communities in the regulatory development process and their use of regulatory data to detect crime. FinCEN's participation goal is achieved through conducting meetings, conferences and open public hearings.

Performance Measure: Average Time to Process a Civil Penalty Case (years)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	2.0	2.0	1.8

Explanation of Measure: This measure monitors progress in reducing the average processing time for civil penalty matters from a 1997 baseline of 4.23 years.

Performance Measure: Number of Consultations with Law Enforcement, Regulatory, and Financial Communities to Keep Pace with Technological and Commercial Changes

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
5	9	9	8	8

Explanation of Measure: This measure indicates the level of effort by FinCEN to inform the law enforcement and regulatory communities, financial industry and the general public on technological developments in money laundering. FinCEN brings together experts to discuss the nature and the implications of evolving payment systems on anti-money laundering efforts.

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Financial Crimes Enforcement Network Performance Goal: *To establish and strengthen mechanisms for the exchange of information globally, and engage and support international partners in taking steps necessary to combat money laundering and other financial crimes*

Performance Measure: Percentage of Countries/Jurisdictions with Membership in "Financial Action Task Force (FATF)"-type Organizations

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	30	41	42	47

Explanation of Measure: This measure indicates the effectiveness of efforts to encourage and promote active participation of countries/jurisdictions in the fight against money laundering. ["FATF-type" organizations serve as a forum for promoting anti-money laundering programs.]

Performance Measure: Percent of Countries/Jurisdictions Submitting to a Peer Evaluation

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	38	40	38	40

Explanation of Measure: This measure indicates the level of progress achieved by FinCEN in encouraging countries and jurisdictions to take part both in evaluating fellow members and in being evaluated by other members of international anti-money laundering forums, regarding the effectiveness of their anti-money laundering efforts.

Performance Measure: Percentage of Countries/Jurisdictions having Units that Meet the Egmont Group's Financial Intelligent Unit (FIU) Definition

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
14%	--	24	26	26

Explanation of Measure: This measure indicates the effectiveness of FinCEN's efforts to promote and assist in the creation of FIUs, which enhance the ability of countries to coordinate their efforts against money laundering and other financial crimes. [The Egmont Group of FIUs has established a standard definition for FIUs that has been endorsed by a number of international organizations.]

Performance Measure: Number of Investigative Information Exchanges Coordinated with Foreign Financial Intelligent Units (FIUs)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	217	200	221
Explanation of Measure: This measure indicates the effectiveness of FinCEN's efforts to promote direct operational cooperation on anti-money laundering investigations internationally. Investigative information exchanges include FinCEN providing information to foreign FIUs in support of their anti-money laundering activities and requesting information from FIUs on behalf of U.S. domestic law enforcement anti-money laundering investigations.				

Executive Office of for Asset Forfeiture Performance Goal: To support the Department of Treasury's national asset forfeiture program in a manner that results in Federal law enforcement's continued and effective use of asset forfeiture as a high impact law enforcement sanction to punish and deter criminal activity

Performance Measure: Days Between the Forfeiture of Real Property and Sale of the Property

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
330	421	394	365	337
Explanation of Measure: A measurement of the average number of days between the day real property is forfeited and the day the property is disposed of through sale.				

Performance Measure: Percentage of Administrative Forfeiture Cases Processed Timely

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
68%	68%	70%	72%	74%
Explanation of Measure: A measurement of the percent of administrative seizures that were completed in a timely manner (six months for ATF, IRS, and Secret Service, and nine months for Customs).				

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Performance Measure: Days Required to Process Equitable Sharing Payments

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
284	271	219	200	297

Explanation of Measure: A calculation of the average number of days between the forfeiture of an asset for which there is an equitable sharing request by a state or local law enforcement agency and the issuance of a sharing check.

Explanation of Shortfall: The U.S. Customs Service makes the vast majority (82.5%) of equitable sharing payments. However, the review process at this agency is slow and cumbersome. In FY 2001, an automated equitable sharing module will be incorporated into the SEACATS system that will streamline and expedite the process.

***Financial Crimes Enforcement Network Performance Goal:** Modify and administer the BSA rules to provide useful law enforcement information, reduce burdens of compliance, adapt to technology changes, and enhance partnership among law enforcement, regulator, and the financial communities*

Performance Measure: Percent Reduction in the Number of Currency Transaction Reports (CTRs) Due to Elimination or Reformulation of Compliance and Information Collection Requirements from 1996 Baseline

CY 1998 Actual	CY 1999 Target	CY 1999 Actual
1.3% (Corrected Actual)	5%	-1.0%

Explanation of Measure: This measure monitors the progress in reducing the CTR burden of depository institutions. FinCEN revised the CTR to reduce the amount of information required, promulgated a new rule permitting depository institutions to exempt some entities from filing CTRs on every transaction in excess of \$10,000, and allowed banks to unilaterally exempt a large percentage of businesses from routine currency reporting requirements.

Explanation of Shortfall: The data for CY 1999 was not available at the time the FY 1999 Program Performance Report was published. Since the FY 1999 results did not meet the target, FinCEN has undertaken a study to determine cause of the increase in CTR reporting. Pending the results of the study, FinCEN will reevaluate what the appropriate performance measure should be.

Treasury Objective: Reduce Counterfeiting and Other Criminal Threats to Our Financial System

Key Trends

Advances in technology have changed the nature of financial transactions from paper currency and coins to today's use of electronic payment systems. Counterfeiting, electronic device schemes, and other financial crimes have cost consumers, financial institutions, and governments billions of dollars.

Overall, actual dollar loss to the public resulting from financial crime was \$379 million in FY 2000, a reduction of \$120 million from FY 1999 levels. The level of counterfeit currency in circulation has shown an overall downward trend since FY 1995 (see Fig. 18).

Treasury Programs

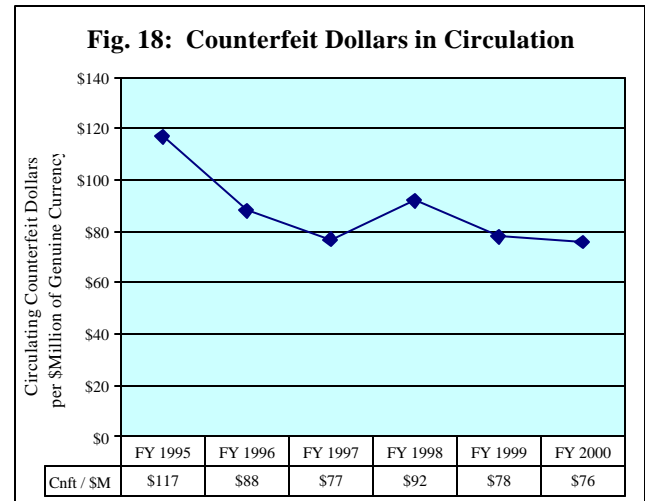
The Secret Service is responsible for conducting investigations of criminal activities that may compromise our nation's financial systems.

The Service's responsibilities in criminal investigations have increased significantly as a result of this technological evolution. The Service uses a proactive approach to criminal investigations of significant economic and community impact under its jurisdiction by recommending to the financial services community industry safeguards to prevent crimes before they have a chance to occur.

FY 2000 Key Accomplishments and Performance Results

Key Accomplishments

- FY 2000 was a very productive year for the Secret Service investigative program despite a heavy protective workload. During the year, the Service closed 18,611 financial crime-related cases, resulting in 7,843 arrests. In addition, 7,520 indictments were handed down as a result of cases completed. By enhancing its partnerships with the U.S. Attorney's Offices nationwide, the Service achieved its goal of having at least 50 percent of the cases that it referred for prosecution actually accepted for federal prosecution.
- The Secret Service achieved all of its counterfeit-related performance goals for FY 2000. The Service successfully closed 12,089 counterfeit cases, resulting in 3,958 arrests, and 578 counterfeit plant suppressions. The Service continues to stress its foreign liaison and aggressive law enforcement efforts in areas with significant counterfeit and financial crime activity. Forging partnerships with law enforcement agencies in foreign countries has led to seizures of \$191 million in counterfeit U.S. currency prior to it reaching circulation in foreign countries, along with many successful investigations in the financial crimes arena. As noted in the graph above, the levels of counterfeit currency in circulation have been declining.
- The Secret Service continues to proactively investigate cases involving crimes against the financial system infrastructure of the United States. Consistent with the FY2000 performance plan targets, the Secret Service completed 6,218 financial crime cases involving \$379 million in actual losses and \$980 billion in potential losses avoided, resulting in 3,646 arrests.



Department of the Treasury -- FY 2000 Program Performance Report

Performance Results

Following is a report on the performance targets in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
6	6 (100%)	0	0	3 (50%)

Secret Service Performance Goal: Reduce losses to the public attributable to counterfeit currency and financial crime under the jurisdiction of the Secret Service

Performance Measure: Counterfeit Notes Passed per Million Dollars Genuine U.S. Currency

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
\$77	\$92	\$78	\$95	\$76

Explanation of Measure: This measure is an indicator of the proportion of counterfeit currency relative to the amount of genuine currency in circulation.

Performance Measure: Counterfeit Notes Passed on to the Public – in U.S. (in millions)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
\$31.8	\$40.0	\$39.2	\$45	\$39.7

Explanation of Measure: This measure reports the total amount of counterfeit currency passed on the public in the United States. The measure is calculated using the face value of the counterfeit currency reported.

Performance Measure: Counterfeit Notes Passed on to the Public – Overseas (in millions)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
\$2.9	\$3.2	\$1.4	\$5.0	\$1.4

Explanation of Measure: This measure reports the total amount of counterfeit currency passed on to the public overseas. The measure is calculated using the face value of the counterfeit currency reported.

Performance Measure: Financial Crime Loss Avoided (in billions)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	\$1.4	\$1.0	\$1.0

Explanation of Measure: This measure estimates the direct dollar losses prevented due to the Secret Service intervention/interruption of a criminal venture. This estimate is the likely amount of financial crime that would have occurred had the offender not been identified or the criminal enterprises disrupted.

Performance Measure: Actual Financial Crime Loss (in millions)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	\$499	\$355	\$379

Explanation of Measure: This measure reports the actual dollar loss involved in financial crime cases investigated and closed by the Secret Service.

Secret Service Performance Goal: Enhance partnerships with foreign and domestic stakeholders

Performance Measure: Percent of Cases Accepted for Federal Prosecution

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
51%	50%	48%	50%	50%

Explanation of Measure: This measure reports the percentage of defendants prosecuted in Federal court relative to the total number of prosecutions at all judicial levels. The goal is to increase the percentage of defendants prosecuted at the Federal level by presenting cases consistent with the national crime suppression strategies.

GOAL: PROTECT OUR NATION'S BORDERS AND MAJOR INTERNATIONAL TRANSPORTATION TERMINALS FROM TRAFFICKERS AND SMUGGLERS OF ILLICIT DRUGS

Treasury plays a significant role in the counter-narcotics effort of the United States by protecting the borders and major international terminals from traffickers and smugglers of illicit drugs. Inspection, investigation, intelligence, canine, marine, and air interdiction assets are used to detect and prevent drugs from reaching our streets. Treasury works to reduce the drug supply through sophisticated interdiction efforts (seizure and destruction of narcotics) and comprehensive investigative efforts (dismantling smuggling organizations). Outreach programs are used to enlist the active support of the trade community in providing information on potential illegal activities. Treasury also provides support to international carriers in their efforts to prevent smugglers from using their ships and planes to introduce narcotics into the United States.

Key Partners in Achieving this Goal Include: Various Federal, state, local, and international law enforcement agencies.

Benefits to the American Public: The use of illicit drugs is one of the most serious problems facing American society, with drugs playing a part in virtually every major social issue in America -- health care, crime, mental illness, child abuse, and the spread of disease. In 1992, the total estimated spending for health care services and the medical consequences for drug problems was \$11 billion, with an additional estimated \$77 billion in lost potential productivity. In addition, the costs of crime attributed to illicit drug abuse were estimated at \$59.1 billion. These costs include reduced earnings due to incarceration, crime careers, and criminal victimization, and the costs of criminal justice and drug interdiction.²

FY 2000 Highlights

- Customs seized more heroin and marijuana, with larger average seizures in FY 2000 than in FY 1999. In addition, the total number of all types of drug seizures for FY 2000 increased from 41,896 to 42,973, a 2.57% overall increase over FY 1999. This included a sharp rise in the seizure of drugs other than cocaine, heroin and marijuana. The seizure of methamphetamine, by weight, increased by 20.5%. The epidemic rise in the use of the drug ecstasy has resulted in tripling the number of dosage units seized to more than 9.3 million units in FY 2000.
- In FY 2000, Customs consolidated its air and marine assets into a single, integrated interdiction force. In addition to providing support to domestic Federal, State, and local law enforcement operations, Customs operated air assets in certain foreign governments which allowed U.S. Customs to combat drug trafficking in both the source and transit zones before the shipments reached the United States.
- Following extensive interagency preparation coordinated by Office of Foreign Assets Control, on June 1, 2000, President Clinton identified 12 foreign persons, located in Africa, Asia, the Caribbean and Mexico, as significant foreign narcotics traffickers or "Kingpins."

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
18	11 (61%)	6 (33%)	1 (6%)	9 (50%)

² The Economic Costs of Alcohol and Drug Abuse in the United States - 1992, National Institute on Drug Abuse, National Institutes of Health

Treasury Objective: Deny the Smuggling of Illicit Drugs at Land Borders, Airports, and Seaports

Key Trends

Illegal drug use and its consequences, including other crimes, permeate every corner of society, afflicting cities, suburbs, and rural communities. Interdicting illegal drugs entering the U.S. is a key component of the Nation's drug control strategy. Treasury is currently unable to estimate the amount of illegal drugs entering the country; however, a key outcome trend is the estimated percentage of the population using drugs, which has remained relatively stable during the 1990s (see Fig. 20).

Since the amount of illegal drugs actually entering the United States remains unknown, developing performance indicators for directly measuring the effectiveness of drug interdiction is not currently possible. Instead of direct measures, Customs uses Targeting Efficiency measures to quantitatively assess the effectiveness of the criteria used to target potential violators. The methodology is applied to both air passengers and vehicles selected for inspection. The measure is a comparison of the number of violations found during targeted selective examinations to a random sample of the same size. (For example, a targeting efficiency number of 10 means that Customs found 10 times as many violations per 1,000 targeted selective examinations than it would have if it simply selected 1,000 vehicles or passengers at random.) Targeting efficiency has improved over the past few years, most dramatically for air passenger inspections (see Fig. 21).

Treasury Programs

The U. S. Customs Service is responsible for protecting U.S. borders against illicit drugs entering the country. To meet the challenge of policing the Nation's borders against drugs, Customs has had to work smarter by integrating new technologies with conventional investigative techniques.

To complement the targeting techniques that are being used by Customs, port infrastructure has been strengthened and Customs inspectors have been equipped with better tools to perform more intensive narcotics exams. Customs currently has several fixed truck x-ray sites located along the Southwest Border. In addition to the fixed x-ray technology, Customs also has mobile x-ray and gamma-ray examination technology available for assisting in the detection of illegal contraband. Customs counter drug initiative focuses on deploying higher energy x-rays, mobile truck x-rays and Automated Targeting systems along the Southern tier of the United States. Deployment of this equipment will ensure faster, more reliable inspection of conveyances at ports of entry. It will also improve Customs targeting ability by utilizing automated systems to compile and evaluate information regarding commercial shipments. Also, drug smuggling via commercial cargo and conveyances has been reduced as a result of the Carrier Initiative Program, Business Anti-Smuggling Coalition, and the Americas Counter-Smuggling Initiative. The use of Customs canine resources to assist in the interdiction of drugs has been extremely successful. Together, these tools and technologies will increase interdiction activities and raise the threat of detection to drug smuggling organizations as will the Customs Air and Marine program.

Fig. 20: Percentage of U.S. Population Using Illegal Drugs

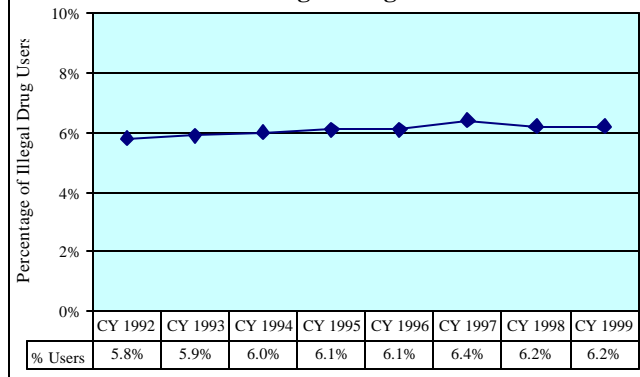
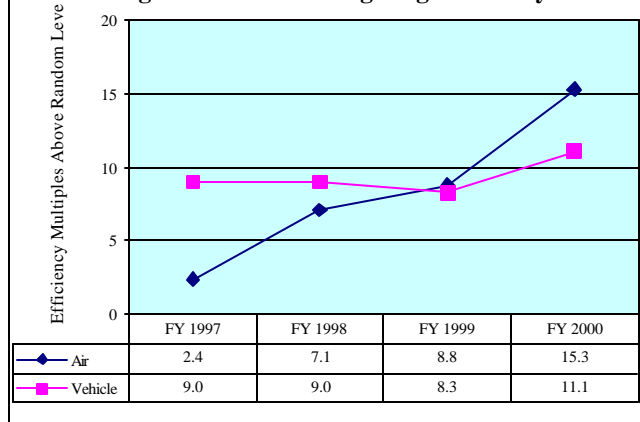


Fig. 21: Customs Targeting Efficiency



Department of the Treasury – FY 2000 Program Performance Report

The Customs Air and Marine program uses air and sea interdiction units designed to protect the Nation's extensive borders from the continually shifting narcotics and contraband smuggling threat. The basic tool for accomplishing these interdiction activities is the air module, an operational unit comprised of aircraft and helicopters for detection, interception, tracking and apprehension of suspect smuggling targets. Beginning in 1999, the Aviation and Marine programs began implementing an ambitious strategy to improve their efforts to combat narcotics smuggling through the creation of a unified Air and Marine Interdiction program. The unified program provides better drug interdiction coverage along coastal waterways and increases investigative capabilities.

In support of its overall drug interdiction efforts, Customs has 114 aircraft deployed throughout the drug source and transit zones. These include long-range P-3 aircraft with advanced radar systems capable of tracking suspect targets from deep in South America all the way to the U.S. border. Customs also utilizes smaller, C-550 interceptor jets for close tracking and high-speed chases. Black Hawk helicopters are used for the end-game phase of an air operation and light enforcement helicopters for aerial and photo surveillance. On the seas, Customs deploys long-range radar platform craft, as well as high-speed interceptor boats capable of overtaking the go-fast craft favored by smugglers today.

Customs continues its effort to implement a coordinated approach through intelligence, investigations, and interdiction as a means for enhancing interdiction activities. By increasing emphasis on Title III and undercover operations, utilizing controlled deliveries and cold convoys at the border, aggressively recruiting confidential informants and cooperating defendants, and aggressively identifying, seizing and forfeiting the proceeds of drug smuggling through all administrative and judicial means available, interdiction efforts are expected to improve.

FY 2000 Key Accomplishments and Performance Results

Key Accomplishments

In FY 2000, Customs processed 488.8 million pedestrians and passengers. Processing of conveyances, such as passenger vehicles, trucks, private and commercial aircraft, and small boats and vessels, exceeded 129 million. From these arriving persons, vehicles, and carriers, Customs staff arrested 23,670 people, and made the following, significant seizures:

- Cocaine – 1,193 seizures (22,596 pounds);
- Heroin – 530 seizures (1,960 pounds);
- Marijuana – 9,191 seizures (533,887 pounds);
- Ecstasy – 9.3 million tablets seized;
- Currency – 911 seizures with a value of \$17,449,057; and
- Merchandise – 11,498 seizures with a value of \$138,243,384.

The total quantity of narcotics seized in FY 2000 was up 145,352 pounds, or 11.2 %, over that seized in FY 1999 (down 6.6% for cocaine, up 32.6% for heroin, and up 13.7% for marijuana). Customs marijuana seizures were at a record high in FY 2000. In fact, new record highs have been set in each of the last 3 years. As a result, marijuana traffickers have become more sophisticated in the techniques they employ. Another development in FY 2000 was the sharp rise in the seizure of other drugs. The seizure of methamphetamine, by weight, increased by 20.5%. The epidemic rise in the use of ecstasy has resulted in tripling the number of dosage units seized to more than 9.3 million units in FY 2000.

Performance Results

Following is a report on the performance targets in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
17	11 (65%)	6 (35%)	0	9 (53%)

Customs Service Performance Goal: Dramatically reduce the amount of illegal drugs entering the United States

Performance Measure: Illegal Narcotics Seizures	FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
				Target	Performance
<u>Cocaine</u>					
Number of Seizures	2,537	2,364	2,509	2,600	2,488
Average Pounds per Seizure	62.2	66.4	63.9	66.2	60.3
Total Number of Pounds Seized (in thousands)	157	157	160	172	150
<u>Marijuana</u>					
Number of Seizures	12,741	15,545	15,699	16,500	14,861
Average Pounds per Seizure	57.0	61.5	73.1	78.8	86.9
Total Number of Pounds Seized (in thousands)	726	956	1,147	1,300	1,291
<u>Heroin</u>					
Number of Seizures	1,208	1,049	911	1,000	859
Pounds Per Seizure	2.0	2.9	2.1	1.9	2.9
Total Number of Pound Seized (in thousands)	2.4	3.0	1.9	1.9	2.6

Explanation of Measure: This is a measure of the number of cocaine, marijuana, and heroin seizures, the average number of pounds per seizure, and the total pounds seized within the territorial jurisdiction of the United States (or in foreign pre-clearance locations) by, or with the participation of, Customs officers.

Explanation of Shortfall: The total number of drug seizures for these three categories decreased from 19,134 in FY 1999 to 18,209 in FY 2000, a 4.8% decrease. In relation to FY 1999, the number of cocaine seizures was down by 1.2%; the number of marijuana seizures was down by 5.4%; and the number of heroin seizures was down by 5.6%. In regard to the goals set for FY 2000, the number of cocaine seizures attained 95.7% of the goal; the number of marijuana seizures attained 90.1% of the goal; and the number of heroin seizures attained 85.9% of the goal.

There has been a drop in cocaine seizures along the Southwest Border with an increase in seizures in the Caribbean area and North Florida. This trend may indicate changes in the smuggling routes in response to law enforcement pressures. An additional factor in lower U.S. cocaine seizures in FY 2000 may be the expanding cocaine market in Europe where prices and profit margins are higher than in the U.S. The rivalry between a number of smuggling organizations in Mexico and South America has also had an impact on the flow of cocaine into the United States.

Heroin moved by commercial air remains the largest threat to Customs enforcement efforts. Commercial air shipments account for over 69% of all heroin seizures in FY 2000. Although South America remains a major source for heroin smuggling, the traffickers have expanded their transshipment locations to include Central America and the Caribbean.

It should be noted that although Customs did not meet 100% of each of these goals set for FY 2000, Customs seized more heroin and marijuana and larger average seizures in FY 2000 than were made in FY 1999. In addition, the total number of all types of drug seizures for FY 2000 increased from 41,896 to 42,973, a 2.57% overall increase over FY 1999. Customs continues to combat sophisticated smuggling techniques and ongoing changes in methods of concealment.

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Customs Service Performance Goal: To ensure compliance and allow the expeditious movement of low-risk travelers by increasing travelers' awareness and by targeting, identifying, and examining high-risk travelers

Performance Measure: Targeting Efficiency

(a) Air Travel

(b) Vehicles

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
(a) 2.4	7.1	8.8	8.9	15.3
(b) 9.0	9.0	8.3	10.5	11.1

Explanation of Measure: A statistically valid measurement program at 20 major airports and all land border ports that estimates Customs targeting effectiveness in the Air Passenger and Land Vehicle Passenger environment. This measure compares the number of major violations found during targeted enforcement operations with the number of violations found in an equally sized random sample of regular enforcement exams.

Performance Measure: Compliance Rate

(a) Air Travel

(b) Vehicles

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
(a) 97.6%	97.7%	97.4%	97.7%	98.4%
(b) 99.96%	99.95%	97.6%	97.8%	99.5%

Explanation of Measure: From a statistically valid random sample, the estimated percentage of air passengers and vehicles compliant with all Federal, State and local laws and regulations.

Performance Measure: Cycle Time:

- (a) Air Travel
- (b) Vehicles (Northern Border)
- (c) Vehicles (Southern Border)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
(a) 5 minutes	5 minutes	5 minutes	5 minutes	5 minutes
(b) --	--	20 minutes	20 minutes	20 minutes
(c) --	--	30 minutes	30 minutes	30 minutes

Explanation of Measure: For air travel, the maximum time it takes for 95 percent of air passengers to clear Customs, from checked luggage retrieval to exit. Data is from surveys performed at selected airports. For vehicles, the average time it takes a noncommercial vehicle to be processed through the initial border screening at all land border ports on the Mexican and Canadian borders.

Note: While Customs believes the Air Travel data is reasonably accurate, the Vehicle data has unknown accuracy. Customs is developing a baseline in conjunction with the Immigration and Naturalization Service to test the data.

Performance Measure: Advanced Passenger Information System (APIS) Rate

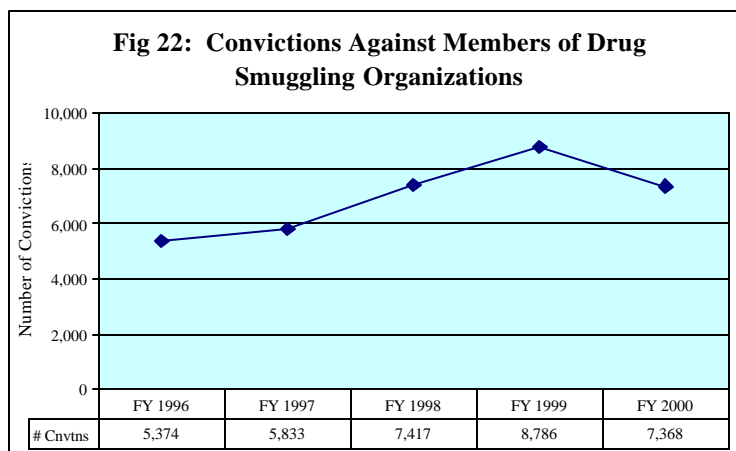
FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
59%	75%	79%	80%	81%

Explanation of Measure: The percentage of non-pre-cleared flights with passenger data provided to Customs by APIS. APIS is a cooperative effort between Federal Inspection Service agencies and the airline industry, designed to provide effective narcotics interdiction while efficiently processing compliant passengers .

Treasury Objective: Support all Aspects of the National Drug Control Strategy

Key Trends

The National Drug Control Strategy provides a comprehensive approach to move the Nation toward being a drug-free state. It is a balanced supply-demand strategy that relies on a full range of supply reduction as well as demand reduction programming. Supply reduction is an essential component of the strategic approach to drug control and the one the Department of the Treasury most directly supports. Currently, the Office of National Drug Control Policy (ONDCP) is developing models that will estimate the amount of cocaine, heroin and marijuana being smuggled into the United States.



A key drug control strategy is to dismantle drug-smuggling organizations. By providing unique investigative expertise to disrupt these organizations, Treasury impacts the availability of illegal drugs in the U.S.

Between FY 1996 and FY 1999, the number of convictions of members of drug-smuggling organizations increased. However, there was a decline in convictions between FY1999 and FY 2000 (see Fig. 22).

Treasury Programs

Since 1982, the Internal Revenue Service - Criminal Investigation Division (IRS-CID), the U.S. Customs Service (Customs), and the Bureau of Alcohol, Tobacco and Firearms (ATF) have participated in the Organized Crime Drug Enforcement Task Force (OCDETF)/Interagency Crime and Drug Enforcement (ICDE)³ program. This is the only cross-cutting Federal drug program that focuses attention and resources on disrupting and dismantling major drug-trafficking organizations.

Primarily through Treasury and the Department of Justice, OCDETF/ICDE provides the framework for Federal, state, and local law enforcement, empowering agencies to work together. Each agency utilizes its unique expertise to target well-established and complex organizations engaged in illegal narcotics trafficking, thereby disrupting the organization. Since 1982, OCDETF/ICDE has contributed to successful prosecutions and convictions of 84,895 members of criminal organizations and seizures of cash and property assets totaling approximately \$3.4 billion.

FY 2000 Accomplishments and Performance Results

Key Accomplishments

Treasury Support for ONDCP Goals. As cited in the National Drug Control Strategy Performance Measures of Effectiveness (PME), the Treasury Department is the lead agency for the following targets:

- **Money Laundering Costs.** The goal by 2002, is to increase the cost of money laundering to drug traffickers in the United States by 15 % over costs in the 1998 base year. The 1998 baseline was never established; however, the Department of the Treasury established the Magnitude of Money Laundering Project in 1999 to establish a base from which to measure future progress.

³ Prior to FY 1998, the Department of Justice prepared an annual consolidated budget request for OCDETF on behalf of all participating agencies. Beginning in FY 1998, OCDETF funding was decentralized, enabling Treasury to prepare its budget. In addition, a new name, ICDE, was given to the program.

- **Anti-Smuggling Technology.** The goal by 2007, is to develop a deployment-ready technology to detect entry through the South West border, maritime points of entry, and other designated entry points of at least 80 percent of all identified potential drug smuggling events involving operationally significant amounts of secreted drugs. Milestones were developed, and in some cases completed, for technical and operational validation testing of a number of anti-smuggling technology projects. These projects included a chemical trace detection system, a mobile truck x-ray system, a gamma ray imaging system, pallet x-ray systems, mobile sea container x-ray system, a rail car inspection system, and an automated targeting system.
- **Currency Detection.** The goal by 2002, is to develop and deploy a methodology to non-intrusively detect illegal amounts of US currency secreted on persons or in check baggage or cargo, with a minimum of 80 percent accuracy. Customs and the Department of Defense are currently demonstrating the use of existing non-intrusive inspection technology to locate currency in luggage and vehicles. Customs also continued analysis of production inks, improvement to the Canine Training Center, and non-vapor characteristics of bulk shipments.

IEEPA Program Against Colombian Drug Cartels. Sanctions against the Colombian drug cartels pursuant to Executive Order 12978, were issued in October 1995 under the International Emergency Economic Powers Act (IEEPA). These IEEPA sanctions prohibit United States persons from dealing with nine drug kingpins of the Cali, North Valley, and North Coast drug cartels that are centered in Colombia, and derivatively designated companies and individuals known as Specially Designated Narcotics Traffickers (“SDNTs”). The SDNTs, designated by OFAC, in consultation with other U.S. Government agencies, are persons or organizations that are owned or controlled by, act on behalf of, or materially assist or provide support to persons covered by the Executive Order.

Foreign Narcotics Kingpin Designation Act. Under the Foreign Narcotics Kingpin Designation Act (“the Kingpin Act”), signed into law on December 3, 1999, OFAC administers a program targeting the activities of significant foreign narcotics traffickers and their organizations on a worldwide basis. The Kingpin Act is modeled after OFAC’s economic sanctions program against Colombian drug cartels. Following extensive interagency preparation coordinated by OFAC, on June 1, 2000, President Clinton identified 12 foreign persons, located in Africa, Asia, the Caribbean and Mexico, as significant foreign narcotics traffickers or “Kingpins.” OFAC is the lead agency for coordinating the process for additional designations of foreign drug kingpins by the President and for designating, in consultation with other agencies, derivative (“Tier II”) designations. Tier IIs under the Kingpin Act, like SDNTs in the Colombia program, are persons or organizations that are owned or controlled by, act on behalf of, or materially assist or provide support to persons covered by the Kingpin Act. OFAC also is responsible for coordinating preparation of the classified Kingpin report that the President is to deliver to Congress on July 1 of each year.

Internal Revenue Service - Criminal Investigation. During FY 2000, IRS-Criminal Investigation Division (IRS-CID) initiated 1,109 narcotics-related financial investigations, recommended prosecution on 860 narcotics-related financial investigations, and achieved a narcotics-related conviction rate of 88.9%. In addition, IRS-CID realized \$45.7 million in forfeited narcotics-related assets. During FY 2000, IRS-CID participated in 40% of the OCDETF investigations initiated and continued to emphasize the significance of the OCDETF program and the need to target narcotics organizations that meet the high OCDETF designation standards. The effectiveness of IRS-CID's counter-narcotics financial operations is demonstrated by the results of our investigations.

Performance Results

Following is a report on the performance targets in Treasury’s FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
1	0	0	1 (100%)	0

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Departmental Offices Performance Goal: Effective oversight of law enforcement bureaus

Performance Measure: Maximize Compliance with Sanctions Programs through Education and Awareness of the Public and Industry

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	--	Qualitative Progress	See Below

Explanation of Measure: The success of OFAC program depends largely on the awareness and education of the public and industry. A variety of systems and efforts are in place to accomplish that objective to include: a thorough and resourceful web page, articles and advertising in trade journals, a hot line, and training/seminars for specific groups.

Explanation of Performance: During this time, OFAC met extensively with congressional committees to brief them on the IEEPA-SDNT program against Colombian drug cartels and to discuss similar measures that became the Foreign Narcotics Kingpin Designation Act (Pub. Law 106-120) directed against significant foreign narcotics traffickers on a global basis. OFAC met numerous times with lawyers representing U.S. and foreign businesses and with senior representatives of the Mexican Government to discuss the Kingpin Act, the IEEPA-SDNT program in Colombia, and OFAC's enforcement approach under both the Kingpin Act and IEEPA. OFAC then coordinated the preparation of the recommendations and supporting information for the President's first set of designations under the Foreign Narcotics Kingpin Designation Act. The President's message to Congress on June 1, 2000, named 12 foreign drug kingpins located in Mexico, Burma, the Caribbean and Africa. OFAC also coordinated preparation of the President's July 1 report to Congress that provided more background on the 12 kingpins.

In addition to implementation of the Kingpin Act, OFAC has testified in public hearings, conducted briefings, engaged in interviews, and made numerous written submissions of information to the Judicial Review Commission on Foreign Asset Control, established by the Kingpin Act. Much of OFAC's cooperation with the Commission was on issues raised by the business sector. As a result, the Commission published a Report to Congress on December 4, 2000, containing 12 recommendations that OFAC is studying.

In the Colombia SDNT program, the OFAC Attache's liaison with local enforcement authorities and his on-going contacts with the financial and business communities have achieved enforcement cooperation from Colombian authorities and voluntary compliance from Colombian banks and businesses. The relationships with Colombian enforcement authorities have been magnified by OFAC's accompanying the Colombian DIAN (Customs & Taxation) in actions against cartel-controlled firms in Colombia, using information developed by the DIAN, and contributing information to Colombian enforcement efforts.

Over the course of 2000, OFAC sent more than 85 additional alert letters to Colombian banks and business entities alerting them to past dealings with SDNTs and encouraging their commitment to cease transactions with SDNTs. In this period, OFAC designated 39 additional SDNTs, including 4 more Colombian drug kingpins and 25 of their companies, and blocked two transactions of a major Colombian SDNT enterprise totaling \$288,332.

GOAL: REDUCE VIOLENT CRIME AND THE THREAT OF TERRORISM

Crime Index statistics show that in 1999 there were 4,267 crimes committed per 100,000 of the Nation's inhabitants and that there was one violent crime committed every 22 seconds in the U.S. and one murder committed every 34 minutes.⁴ While recent statistics indicate an overall decrease in violent crime incidents, the number of terrorist incidents has increased over the past five years.

Treasury's Bureau of Alcohol, Tobacco and Firearms (ATF), the U.S. Customs Service, the Office of Foreign Assets Control, the U.S. Secret Service, and the Financial Crimes Enforcement Network (FinCEN) combine their unique jurisdiction, skills, and assets with those of other Federal, state, local, and international law enforcement organizations to combat crime, violence, and terrorism. This is accomplished through an integrated approach of: effective enforcement of the Federal firearms, explosives, and arson laws, education, and prevention efforts. Treasury also uses innovative solutions to increase its efficiency and effectiveness and that of its other law enforcement partners.

Key Partners in Achieving this Goal Include: Treasury's bureaus work with the Departments of Justice, State, Defense, and Transportation, the National Security Council, various other Federal, state, local, and international law enforcement organizations.

Benefits to the American Public: Individual freedom can really only be enjoyed when it is accompanied by a sense of safety. Violent crime and terrorism threaten that safety.

FY 2000 Highlights

- In September 2000, ATF's new "eZ Check" system went online on the Internet. The new system helps members of the firearms industry ensure that no firearms licenses are used fraudulently by individuals who alter copies of licenses to illegally acquire and supply firearms to criminals and youth.
- In FY 2000, ATF completed the construction of a state-of-the-art training facility in Front Royal, Virginia, for accelerant and explosives detection canines for state, local, and international law enforcement.
- ATF completed the development of the InterFIRE training CD-ROM, a computerized virtual reality training tool and disseminated it to fire investigators at every level. This training CD is complemented by the InterFIRE website, which provides for a continuously updated resource for indepth information on fire investigation methodologies, training, and research.
- In FY 2000, the Customs Service made 302 strategic-related arrests, 206 indictments, and 277 convictions. These figures are nearly 50% higher than the average of FY 1998 and 1999 and approach the numbers attained in FY 1996 and 1997. Seizures in the strategic arena have increased at a 6% average over the past 5 years.
- Customs also seized a combined total of 736 shipments of munitions, technology and sanctioned goods, valued at approximately \$50 million.. There was a 31% decrease from the number of combined seizures for FY 1999. The number of technical violations reached 1,229 seizures and were valued at about an additional \$45 million.

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
8	4 (50%)	2 (25%)	2 (25%)	5 (63%)

⁴ 1999 Uniform Crime Report. Federal Bureau of Investigation, United States Department of Justice.

Treasury Objective: Deny Criminals Access to Firearms and Reduce the Risk of Violent Crime in Our Communities

Key Trends

Treasury is unable to directly measure whether criminal access to firearms is diminishing. However, we know that more than 175,000 firearms transactions have been denied since November 1998 as the result of instant background check queries. We also know that violent crime rates have steadily declined in recent years. Between 1995 and 1999, the number of violent crimes (such as homicides, robberies, rapes and aggravated assaults) declined by 23 percent (see Fig. 23). In addition, the number of crimes committed with a firearm has declined 33 percent during the same period (see Fig. 24).

Treasury Programs

The Bureau of Alcohol, Tobacco and Firearms (ATF) works to reduce violent crime by imprisoning violent offenders, reducing the criminal misuse of firearms, explosives and fire, and through partnerships and community outreach efforts.

ATF's Integrated Violence Reduction Strategy focuses on several different components of firearms enforcement aimed at reducing the illegal acquisition, carrying and use of firearms and explosives. Investigative priorities focus on armed violent offenders and career criminals, narcotics traffickers, narco-terrorists, violent gangs, and domestic and international arms traffickers.

Another part of the strategy is the development and deployment of the Youth Crime Gun Interdiction Initiative (YCGII). Two major goals of YCGII are to encourage comprehensive crime gun tracing by State and local law enforcement agencies and to provide crime gun market analyses to assist law enforcement in arresting traffickers and breaking the chain of the illegal supply of firearms to juveniles and youths.

One aspect of the YCGII is ATF's community outreach through the Gang Resistance Education and Training (G.R.E.A.T.) Program. The purpose of the G.R.E.A.T. program is to provide classroom instruction for school-age children and a wide range of community-based activities that result in the necessary life skills, a sense of competency, usefulness, and personal empowerment needed to avoid involvement in youth violence and criminal activity. During FY 2000, G.R.E.A.T. officers around the country taught approximately 336,959 school-age children.

ATF also issues licenses to persons intending to engage in business as an importer, manufacturer or dealer in firearms and conducts firearm licensee qualification and compliance inspections. The Bureau periodically conducts compliance inspections to educate licensees in proper record-keeping and business practices and to ensure they are operating within the firearms regulations. When ATF identifies firearms trafficking indicators associated with particular licensees (e.g., frequent crime gun traces within a short timeframe, inability to complete traces), the Bureau initiates focused inspections to determine whether illegal activity is occurring.

Fig. 23: Violent Crimes Committed in U.S.

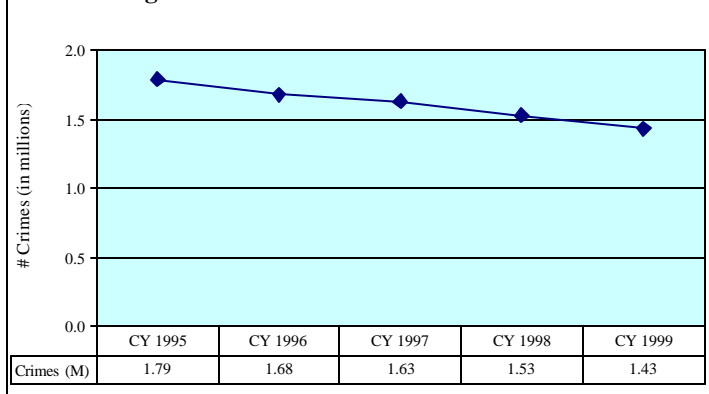
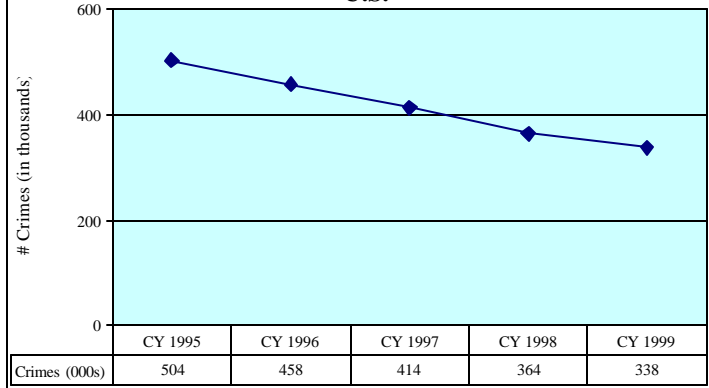


Fig. 24: Crimes Committed with Firearms in U.S.



FY 2000 Key Accomplishments and Performance Results**Key Accomplishments**

In September 2000, ATF's new "eZ Check" system went online on the Internet. The new system helps members of the firearms industry ensure that no firearms licenses are used fraudulently by individuals who alter copies of licenses to illegally acquire and supply firearms to criminals and youth.

Performance Results

Following is a report on performance targets in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
5	4 (80%)	1 (20%)	0	5 (100%)

***Bureau of Alcohol, Tobacco and Firearms Performance Goal:** Imprison violent offenders; reduce the criminal misuse of firearms, explosives and fire, and through partnerships; and increase exposure from community outreach efforts*

Performance Measure: Crime-Related Costs Avoided (in billions)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
\$0.93	\$0.99	\$1.05	\$1.00	\$1.56

Explanation of Measure: This measure is an estimate of the cost of crimes avoided by the Nation as a result of the prevention and solution of crimes via ATF's programs. It measures only thefts and property damage avoided, and does not take into account the avoidance of human trauma and emotional loss that also results from reducing crime.

Performance Measure: Number of Future Crimes Avoided As a Result of ATF Programs

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
427,454	503,955	542,560	450,000	743,706

Explanation of Measure: This measure is an estimate of the total number of crimes prevented through the incarceration of criminals and the elimination of crime gun sources via ATF's programs.

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Performance Measure: Number of Firearms Trace Requests Submitted

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
191,378	188,299	209,126	225,000	209,369

Explanation of Measure: This measure reflects the number of trace requests submitted during the fiscal year. Firearms tracing is the systematic tracking of the history of a recovered crime gun (guns recovered from crimes or from those prohibited from owning them) from the manufacturer or importer through the chain of distribution to the first individual purchaser of the firearms. This tracking assists law enforcement in arresting illegal suppliers of firearms.

Explanation of Shortfall: This target was not achieved because the expected increase in State and local participation in comprehensive crime gun tracing did not occur. Another contributing factor is the declining rate of firearms-related crime across the Nation.

Performance Measure: Average Trace Response Time (in work days)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
13.5	18.8	11.4	11.5	10.2

Explanation of Measure: This measures the average time taken to process a trace request, from receipt to disposition.

Performance Measure: Number of Persons Trained/Developed by ATF Personnel

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
50,717	60,156	53,385	52,000	87,859

Explanation of Measure: This measure is the number of individuals who are trained by ATF personnel. This includes ATF employees as well as Federal, state, local and international law enforcement personnel. In FY 2001, this measure will be discontinued and replaced by a performance measure that will focus on the number of personnel trained in relation to the Integrated Violence Reduction Strategy.

Treasury Objective: Strengthen the Capability to Fight Terrorist Threats to the U.S.

Key Trends

Terrorism is the unlawful use of force or violence against persons or property to further political or social objectives. The number of terrorist incidents has increased since the mid-1990s (see Fig. 25), and the number of documented instances in which violent acts by known or suspected terrorist groups or individuals were planned (but thwarted) has declined, especially in recent years (see Fig. 26).

Treasury Programs

Treasury's law enforcement bureaus have various programs that support this strategic objective. For instance:

The U.S. Customs Service (Customs) provides security at U.S. borders to prevent the smuggling into the U.S. of Weapons of Mass Destruction (WMD - nuclear, radiological, chemical, and biological material), arms, and other instruments of terror. In addition, Customs prevents international terrorists from obtaining WMD materials and technology, arms, funds, and other support. Customs also supports designated National Special Security Events with aviation, marine, and other enforcement resources.

The Bureau of Alcohol, Tobacco and Firearms (ATF) provides substantive expertise and leadership for terrorist incidents involving bombings or arson. ATF's National Response Teams (NRT) are at the forefront in responding to major arson and explosive incidents through specialized investigative expertise and unique response capabilities. The Canine Explosives Detection Program provides training support to Federal, state, local and international law enforcement agencies in detecting explosive materials. ATF's forensic science laboratories provide expert support in the analysis of fire and explosive debris. ATF also has a mobile forensic lab, which travels to major explosive and arson incidents. The Bureau maintains a state-of-the-art National Repository of arson and explosive incidents, providing a capability to trace stolen and recovered explosives, as well as supplying investigative tools that may link related incidents.

The Office of Foreign Assets Control (OFAC) within the Office of the Under Secretary for Enforcement, administers economic sanctions against the seven state sponsors of terrorism (Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria) designated by the Secretary of State, against specific foreign terrorist organizations (FTOs, such as Hamas and Al-Qa'ida), and against individual Specially Designated Terrorists (SDTs). An organization or individual may be designated as an SDT if they are deemed to assist in, sponsor, or provide support for terrorist acts of violence that threaten to disrupt the Middle East peace process. Property and interests in property owned by those organizations and individuals are blocked. All transactions, including the making or receiving of any contribution of funds, goods, or services to or for their benefit are prohibited.

The U.S. Secret Service provides expertise in the areas of identifying suspected or known terrorists and in identifying and neutralizing chemical and/or biological incidents. The Service plays a lead role in design, planning, and implementation of security operations designated as special security operations at designated National Special Security Events. In that role, the Service provides the overall public safety coordination required to protect the event, its

Fig. 25: Terrorist Incidents in U.S.

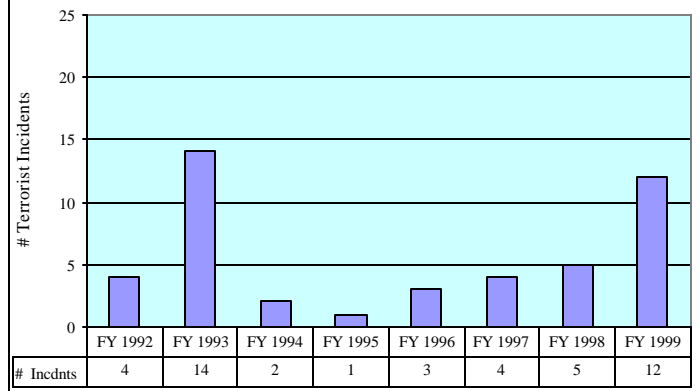
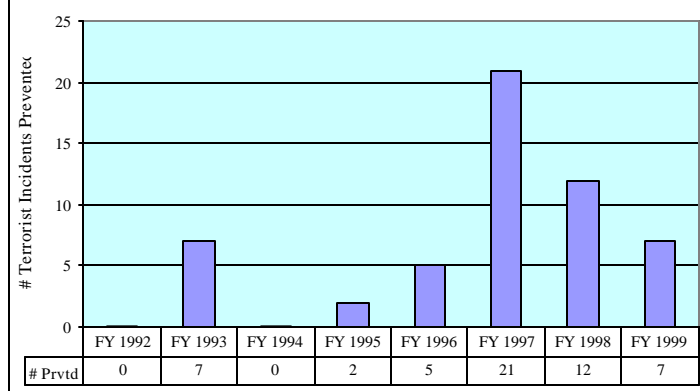


Fig. 26: Terrorists Incidents Prevented in U.S.



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participants, and attendees from potential threats. In furtherance of this mission, the Secret Service employs many of its own resources toward specific facets of security for which it has established over the years a reputation of expertise. This expertise includes but is not limited to site and route surveys, access control, technical security, counter-sniper operations, and airspace security.

The Financial Crimes Enforcement Network (FinCEN) assists Federal investigators to uncover information concerning suspected terrorists (either domestic or foreign) and their related financial activities. This includes support for counter terrorism investigation of weapons violations.

FY 2000 Key Accomplishments and Performance Results

Key Accomplishments

For the Customs Service, efforts to fight terrorist threats (strategic threats) hinge upon preventing specific countries, terrorist groups, and transnational criminal organizations from:

- Smuggling Weapons of Mass Destruction (WMD) and other instruments of terror into the United States
- Obtaining sensitive and controlled commodities, including WMD components and technologies, conventional munitions, and firearms
- Engaging in economic and other transactions which support illicit trafficking or terrorist activities, or which violate U.S. and international sanctions and embargoes
- Trafficking in stolen property exported from the United States

In FY 2000, Customs continued its efforts to work closely with law enforcement agencies of foreign governments to improve their expertise in dealing with investigations into transnational criminal organizations. Efforts included providing ongoing foreign border control training and education programs in the areas of WMD, firearms trafficking, and exports of stolen vehicles. Customs also continued international investigations of strategic-related offenses with foreign customs and law enforcement counterparts through Customs Attachés.

For FY 2000, there were 302 terrorist-related arrests, 206 indictments, and 277 convictions, which were close to 50% higher than the average of FY 1998 and 1999. Seizures of strategic material have increased at a 6% average over the past 5 years.

Performance Results

Following is a report on the performance targets in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
3	0	1 (33%)	2 (67%)	0

Departmental Offices Performance Goal: Effective oversight of law enforcement bureaus

Performance Measure: Maximize Compliance with Sanctions Programs through Education and Awareness of the Public and Industry

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	--	Qualitative Progress	See Below

Explanation of Measure: The success of the OFAC program depends largely on the awareness and education of the public and industry. A variety of systems and efforts are in place to accomplish that objective to include a thorough and resourceful web page, articles and advertising in trade journals, a hot line, and training/seminars for specific groups.

Explanation of Performance: During the past year, OFAC held more than 87 sessions on sanctions compliance involving programs against terrorism across the country and across industry groups and made extensive use of “multipliers” to enhance its educational efforts. This included training Commerce, Customs, the Federal Bureau of Investigations, and bank regulators in the application of applicable OFAC regulations and close working relationships with AUSAs involving criminal investigations. OFAC-authored articles that included a terrorism component were published in Commerce and DOD publications; OFAC “Alerts” appeared in Small Business and Securities Industry publications; and OFAC developed a one and a half hour “examiner” training module in cooperation with the OCC and the Federal Financial Institutions Examination Council. OFAC’s website homepage was among the top five sites visited through Treasury’s Internet portal during the reporting period and received considerable recognition, including being named one of 25 noteworthy websites in the December 16, 1999 edition of Scout Report for Business & Economics. It was added to the Federal CIO Council’s list of examples of “innovative solutions in Electronic Government,” and was selected as a “Key Resource” for its “information sheets” by Links2Go. The public also made extensive use of OFAC’s fax-on-demand service to learn about its programs against terrorism.

During the past year, as a direct result of OFAC’s education and awareness programs, computers around the world were programmed to stop “OFAC-related” financial and trade activities for review. Equifax, serving 17 of the top 35 brokerage firms in the United States, incorporated OFAC screening into its Information Services System for brokers. Ariba Commerce Services Network, in forming a strategic alliance with BankServ, incorporated OFAC filtering capability into its value-added network infrastructure for delivering eCommerce services to companies in the B2B community. During the past year, OFAC averaged over 1,000 calls per week over the toll-free telephone Hotline which it installed for banks, securities firms, importers/exporters, shipping lines, and others to call about items interdicted by their computers. The calls resulted in over 7,300 transactions needing to be either blocked or rejected as a result of all of OFAC’s sanctions programs, with \$125 million frozen and \$366 million returned to remitters as being contrary to U.S. sanctions. Following up on those transactions led to over 1,000 compliance cases--the majority of them concerned with OFAC’s terrorism-related programs, with 132 ultimately referred for civil penalties and 73 referred for criminal investigation. OFAC’s Compliance Division alone sent out close to a thousand “administrative demands for information,” and over 500 warning letters.

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Customs Service Performance Goal: Maximize the degree of compliance with United States export requirements while simultaneously facilitating international trade in order to protect the United States national security, economic interests, and the health and safety of the American people

Performance Measure: Number of Seizures for Outbound Licensing Violations

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
1,036	1,798	1,067	1,200	736

Explanation of Measure: This Customs measure is a total of the following three items:

- The number of outbound munitions seizures (incidents not individual articles) made by Customs officers for violation of the requirements contained in the International Traffic and Arms Regulations (ITAR).
- The number of seizures (not articles) made by Customs officers annually for violation of the Export Administration Regulations or the Export Commodity Control List requirements.
- The number of outbound seizures made annually by Customs officers to enforce a series of laws administered by Treasury's Office of Foreign Assets Control.

Explanation of Shortfall: The reduction in the number of seizures can be attributed to limited resources and a continued decrease in the licensing requirements for the Department of Commerce. Because of the expected normalization of diplomatic relations with a number of sanctioned nations, the trend of decreased licensing violations is expected to continue into the future.

Customs Service Performance Goal: Contribute to a safer America by reducing civil and criminal activities associated with the enforcement of Customs' laws.

Performance Measure: Disruption of International Trafficking Activities

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	--	Qualitative Progress	See Below

Explanation of Measure: This is a qualitative assessment of Customs' effectiveness in disrupting international trafficking activities involving weapons of mass destruction, firearms, stolen property, and/or economic espionage. Disruption involves the interdiction of illicit export shipments of controlled materials, and investigations resulting in the arrest and presentation for prosecution of parties responsible for illicit trafficking violations.

Explanation of Performance: In FY 2000, Customs increased liaisons and resource deployment dedicated to outside agency (the Federal Bureau of Investigation, the Department of State, and the Department of Commerce) initiatives both at the Headquarters and field levels, including the Joint Terrorism Task Forces. These increases proved extremely effective in counteracting several terrorist incidents in December 1999. Investigative efforts resulted in significant disruption of international trafficking activities, especially in the areas of terrorism and export-controlled commodities:

- On December 14, 1999, Customs Inspectors apprehended an individual attempting to smuggle significant amounts of materials commonly used in making explosives. Customs Agents arrested the suspected terrorist who is scheduled for trial in Los Angeles, California in early 2001. Customs assigned additional personnel to interagency counter-terrorism task forces nationwide to provide investigative expertise and real-time intelligence dissemination.
- A four-year undercover investigation led to the arrest of three international businessmen for conspiracy to acquire and sell \$20 million worth of embargoed Iraqi oil.
- One individual was arrested and two companies were charged in a 40-count indictment for violation of U.S. sanctions against the Republic of Yugoslavia (Serbia and Montenegro), and exporting electronic components, aircraft parts, and motor oil to the Serbian military.
- A nine-month undercover investigation involving a Russian organized crime automobile theft ring culminated in the arrest of 31 suspects. Agents seized 27 luxury and sport utility vehicles valued in excess of \$750,000 that the group had attempted to export.
- One individual pled guilty and two others remain under sealed indictment for attempting to purchase and ship critical military satellite equipment contained on the U.S. Munitions List and other dual-use commodities to North Korea via transshipment to Budapest, Hungary.

Treasury Objective: Safeguard the Public from Arson and Explosive Incidents

Key Trends

Arson is the willful or malicious burning or attempted burning of property. The motivation of arsonists varies and can include vandalism, revenge, or fraud. Arson can also be a hate crime as revealed in the burning of our nation's churches and synagogues. National statistics for the 4-year period from 1995 to 1998 indicate incendiary and/or suspicious fires claimed over 2,100 lives and caused approximately \$5.6 billion worth of damage⁵. In addition, arson is a difficult crime to solve, having a national 5-year average clearance rate of 16.6% as compared with a 50% arrest rate for violent crime.⁶

The Bureau of Alcohol, Tobacco and Firearms (ATF) statistics for the 4-year period from 1995 to 1998 indicate ATF was directly involved in approximately 9,000 fire investigations (see Fig. 27).⁷ ATF provided expertise to State and local law agencies in the following areas: origin and cause expertise, investigative assistance, evidence collection, and laboratory services.

Illegally-used explosives continue to kill and seriously injure public safety officers, bomb technicians, and citizens. For the period from 1993 to 1998, ATF investigated 73% of all fatality bombings (see Fig. 28).

Treasury Programs

ATF supports law enforcement and fire officials throughout the nation in their investigations of explosives incidents and fires of suspicious origin. The collection of evidence at bombing scenes is tasked to ATF investigators who are especially well trained and equipped. ATF databases are routinely used to trace the source of explosives and to determine if they were stolen. ATF special agents provide additional experience, such as arson-for-profit investigation expertise, church fire expertise, and equipment, which is welcomed by local fire investigators at major fire scenes. The accelerant detection canines and arson investigation training programs offer them resources often not available otherwise. Explosives enforcement officers (bomb technicians) provide assistance with the movement and disposal of explosive material and devices. ATF's Arson and Explosives National Repository provides national, state, and local trend data as well as incident-specific detailed information.

Fig. 27: ATF Fire Investigations

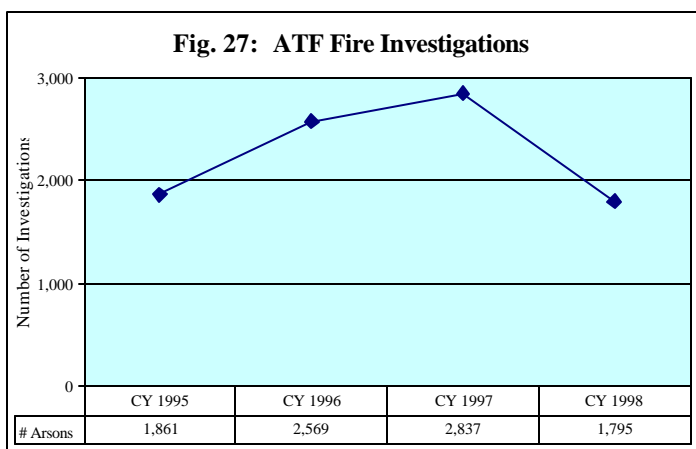
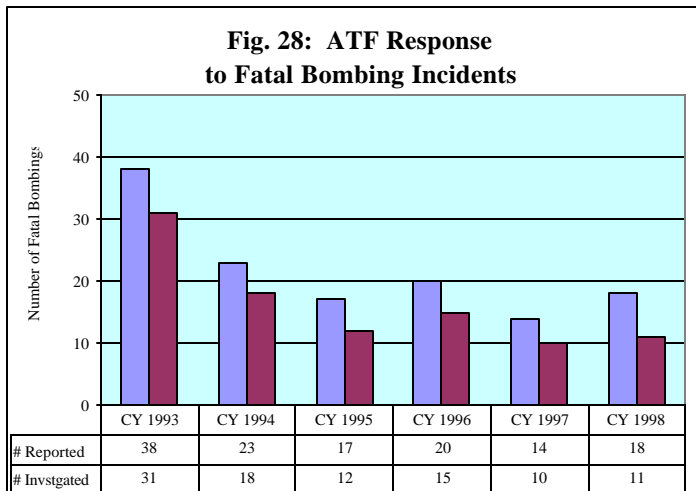


Fig. 28: ATF Response to Fatal Bombing Incidents



⁵ Source: Book of Criminal Justice Statistics 1999 (page 333)

⁶ Source: FBI Uniform Crime Report (Years 1995 – 1999)

⁷ Source: ATF's Arson and Explosives National Repository

FY 2000 Key Accomplishments

- ATF completed the construction of a state-of-the-art training facility in Front Royal, Virginia, for accelerant and explosives detection canines for state, local, and international law enforcement.
- ATF completed the development of the InterFIRE training CD-ROM, a computerized virtual reality training tool and disseminated it to fire investigators at every level. This training CD is complemented by the InterFIRE website, which provides for a continuously updated resource for in-depth information on fire investigation methodologies, training, and research.
- ATF trained law enforcement personnel and bomb squads from around the Nation in the use of the Arson Explosives Incident System (AEXIS). AEXIS was congressionally mandated for tracking the criminal misuse or suspected misuse of explosives and for tracking information on arsons. Each ATF law enforcement field division has been give the ability to have immediate access to explosives and arson information 24 hours a day through the ATF National Repository Branch web-site located on the ATF Interweb. ATF inspectors identified and corrected 1,119 explosives public safety violations through an intensified inspection program.

GOAL: PROTECT OUR NATION'S LEADERS AND VISITING DIGNITARIES

There are new challenges in today's complex world regarding the area of protection. Incidents over the past few years such as the Oklahoma City bombing, American Embassy bombings and the most recent terrorist attack on the USS Cole in Yemen, demonstrate the ongoing terrorist activity against U.S. interests in this country and throughout the world.

The protective threat facing the U.S. Secret Service has broadened to include groups operating outside their own countries. These groups have access to more sophisticated weapons, and are using "front" organizations to finance their activities. They are indiscriminate in their use of violence and seek public attention for their actions. The low cost and diffusion of advanced technology and the proliferation of weapons of mass destruction (WMD) have further increased the dangers with which the Secret Service must contend.

Benefits to the American Public: The protection of our Nation's leaders, visiting dignitaries, and other protectees is essential to maintaining a stable and strong democracy.

Treasury Programs

The U.S. Secret Service is responsible for the protection of the President of the United States, the President-elect, the Vice President and other officers next in line of succession to the Office of the President, the Vice President-elect, and members of their immediate families unless the members decline such protection; of the person of a visiting head-of-state/Government and accompanying spouse, and at the discretion of the President, other distinguished foreign visitors to the United States, and official representatives of the United States performing special missions abroad; of former Presidents, their spouse and minor children, unless such protection is declined. In addition, the Secret Service is responsible for the security design, planning, and implementation at designated National Special Security Events.

The ultimate mission of the Secret Service is to ensure the highest level of protection for persons authorized Secret Service protection. The Secret Service is internationally recognized for its expertise in accomplishing its protective mission. The Secret Service has continued to provide protection to permanent protectees and foreign dignitaries as well as designated facilities without negative consequences. Timely and accurate information learned from intelligence advances and protective intelligence cases has also contributed to the Service's early warning capabilities, thus reducing potential risks to protectees.

In its effort to perform this mission, the Secret Service employs a variety of procedures to ensure the safety of its protectees. These procedures directly relate to the primary strategies that include the proactive use of technology and protective intelligence, and the effective use of resources based on risk assessment and risk management. To maintain effectiveness, the Secret Service continually evaluates, modifies, and improves its policies and procedures.

The Secret Service must be proactive in its approach to dealing with these possible threats. To continue to provide a high quality of physical protection to our Nation's leaders and visiting heads of state, the Secret Service must invest in equipment and technologies that can detect these weapons better enabling the Secret Service to deter their use.

FY 2000 Key Accomplishments and Performance Results**Key Accomplishments**

- FY 2000 was an extremely active year for the Secret Service protection program due to the Campaign 2000 Presidential election, to include the Republican and Democratic conventions, World Economic Conference, United Nation's General Assembly and other designated "National Special Security Events".

- Travel of Secret Service protectees was unprecedented during FY 2000 and put considerable demands on Secret Service resources. The Secret Service measures protectee travel activity in terms of travel stops. A stop is considered a city or other definable sub-division visited by a protectee. During FY 2000, the Secret Service provided physical protection at 7,358 travel stops, a 29 percent increase over FY 1999 and 43 percent since FY 1998. The 7,358 travel stops represents an all-time high in protection workload. The 7,358 travel stops also represent an exhaustive effort by the entire organization in terms of commitment to the achievement of the organization's ultimate protection goal of "Protectee Arrives and Departs Safely" 100 percent of the time.

Performance Results

Following is a report on the performance target in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
1	1 (100%)	0	0	0

<i>Secret Service Performance Goal: Ensure the physical protection of protectees</i>				
Performance Measure: Percentage of Instances Protectees Arrive and Depart Safely				
FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
100%	100%	100%	100%	100%
Explanation of Measure: This measure reports the percentage of all travel stops for all Secret Service protectees where the protectee arrives and departs safely.				

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<i>Secret Service Workload Related to the Goal: Ensure the physical protection of protectees</i>				
Workload Measures	FY 1997 Workload	FY 1998 Workload	FY 1999 Workload	FY 2000 Workload
Total Travel Stops – Permanent Protectees, Foreign Dignitaries, and Candidate Nominees [The level of travel by protectees of the Service. A stop is generally considered a city or other definable subdivision visited by a protectee.]	5,223	5,131	5,723	7,358
Magnetometers – Persons Processed (in millions) [The number of individuals screened through magnetometers at sites where security is controlled by the Secret Service.]	3.0	2.3	2.2	3.1
Protective Details [The total number of special details provided by uniformed officers in support of physical protection.]	2,938	3,266	4,382	3,545

<i>Secret Service Workload Related to the Goal: Prevent terrorism directed towards Secret Service protectees, protected facilities, and our citizens and visitors at events of national significance</i>				
Workload Measure	FY 1997 Workload	FY 1998 Workload	FY 1999 Workload	FY 2000 Workload
Intelligence Cases Completed [The number of intelligence cases performed by agents assigned to field operations. These cases generally involve making an assessment of individuals or groups who have threatened a protectee of the Secret Service.]	8,449	8,499	6,577	4,392

GOAL: PROVIDE HIGH-QUALITY TRAINING FOR LAW ENFORCEMENT PERSONNEL

Treasury's Federal Law Enforcement training Center (FLETC) provides quality, cost-effective training for law enforcement professionals. The FLETC maximizes the use of law enforcement and training experts; provides quality facilities, support services, and technical assistance; conducts law enforcement research and development; and shares state-of-the-art law enforcement technology. There are many advantages of consolidated training for Federal law enforcement personnel, not the least of which is an enormous cost savings. Consolidated training avoids the duplication of overhead costs that would be incurred by the operation of multiple agency training sites. Consolidation also ensures consistent, high quality training, and fosters interagency cooperation and camaraderie. Finally, consolidated training allows students from different Departments and agencies to commingle and learn about each other's professional responsibilities, thus enhancing the students' view of the overall law enforcement effort.

Key Partners in Achieving this Goal Include: The FLETC works with the Departments of Justice, Agriculture, Interior, State, the Office of Management and Budget, the Environmental Protection Agency the General Service Administration, and various other Federal, State, local, and international law enforcement organizations.

Benefits to the American Public: In the last decade, the nature of crime has changed. The increased sophistication of computer technology and the globalization of the economy have created new challenges in the areas of financial fraud, money laundering, and other illegal activity. In recent years, foreign crime organizations have established operations in major American cities. Furthermore, while being called upon to address a wide variety of social problems, law enforcement agencies are being held to heightened levels of scrutiny and accountability. In order to meet these challenges, the government must ensure that those individuals it empowers as law enforcement officers have been fully trained in the skills and knowledge necessary for effective and safe enforcement of the law and that they are prepared to do so in a just and proper manner.

FY 2000 Highlights

- In FY 2000, in addition to meeting all basic training demands from participating agencies, the FLETC provided advanced training to 10,985 students. Additionally, 3,383 state and local law enforcement officers and 323 international officers were trained at the FLETC facilities and export training sites.
- During FY 2000, the FLETC completed the revision of its premier basic training program, the Criminal Investigator Training Program. The program, which had been virtually unchanged for more than 20 years, was completely revised using the adult learning model.
- During the past year, a formal distributed learning implementation strategy was drafted and approved, and the FLETC began developing the distributed learning architecture blueprint to design the "Virtual FLETC" infrastructure.
- The FLETC is leading a collaborative effort with other Federal law enforcement agencies to establish a training accreditation model, organizational structure, and process. The model will be used to establish Federal law enforcement training standards and to evaluate the facilities, policies, and procedures by which these standards are achieved.

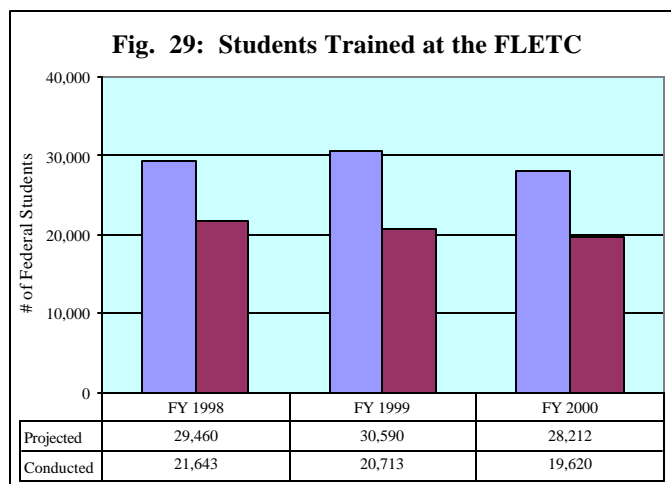
Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
7	7 (100%)	0	0	3 (43%)

Treasury Objective: Enhance Basic, Advanced, and In-Service Training Programs to Meet Changing Needs and Increasing Demands

Key Trends

Treasury provides law enforcement training to other Federal enforcement agencies, State and local, and foreign countries.

Between FY 1998 and FY 2000, there was a decline in the number of students who received training through the Federal Law Enforcement Training Center's (FLETC) (see Fig. 29). This decline was the result of the inability of participating agencies to provide the number of trainees they had anticipated due to budget constraints or delays in the recruitment process. However, because of initiatives to curb crime, especially in the areas of immigration, border security, drug control and interdiction, anti/counter-terrorism, and firearms enforcement, the number of law enforcement personnel requiring training is expected to increase in the next several years.



Treasury Programs

The mission of the FLETC is to serve as the Federal Government's leader for and provider of world-class law enforcement training. The Center prepares new and experienced law enforcement professionals to fulfill their responsibilities in a safe manner and at the highest level of proficiency.

The FLETC accomplishes its mission by utilizing law enforcement and training experts; providing facilities, support services, and technical assistance; conducting law enforcement research and development; and sharing law enforcement technology. Continuous review and updates of training programs help to ensure that the law enforcement officers receive training that keeps pace with the changing criminal and law enforcement environment. Also, the FLETC ensures that training is provided in the most cost-effective manner by taking advantage of economies of scale available only from a consolidated law enforcement training organization.

To accomplish its mission, the FLETC must balance the competing needs and demands of its 74 participating organizations. The FLETC must also be flexible enough to respond to changes resulting from budget decisions, new Administration and Congressional initiatives, fluctuations in training demands, and variations in recruitment within the participating agencies as they impact the delivery of law enforcement training.

FY 2000 Key Accomplishments and Performance Results

Key Accomplishments

- In FY 2000, in addition to meeting all basic training demands from participating agencies, the FLETC provided advanced training to 10,985 students. Additionally, 3,383 state and local law enforcement officers and 323 international officers were trained at the FLETC facilities and export training sites.
- During FY 2000, the FLETC completed the revision of its premier basic training program, the Criminal Investigator Training Program (CITP). The program, which had been virtually unchanged for more than 20 years, was completely revised using the adult learning model. Two successful pilots of the new program were conducted late in FY 2000 and the revised CITP was implemented at the start of FY 2001. Additionally, the FLETC developed and/or significantly revised approximately ten Center Advanced training programs and assisted the participating agencies with the development of more than 15 agency-specific basic and/or agency advanced training programs.

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Examples of Center Advanced training programs include the Internet and Your Child, Weapons of Mass Destruction, Land Transportation Antiterrorism and Computer Network Investigations. An example of an Advanced In-Service training program is the Law Enforcement Senior Instructor Training Program for enhancing instructional skills of current instructors.

Performance Results

Following is a report on performance against the targets established in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
5	5 (100%)	0	0	2 (40%)

Federal Law Enforcement Training Center Performance Goal: Achieve 80% on Student Quality of Training survey; conduct 100% of basic training requests; keep variable costs to \$149 per student week; and conduct 4 Personnel input forums

Performance Measure: Student Quality of Training Survey

(a) Basic Training

(b) Advanced Training

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
(a) --	80%	99%	80%	99.2%
(b) --	80%	99%	80%	99.2%

Explanation of Measure: Basic and advanced training program students are surveyed to obtain their views on the overall quality of training received. This measures the percentage of student ratings of training quality as satisfactory or higher.

Performance Measure: Percent of Requested Training Provided (Federal Basic)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	100%	100%	100%	100%

Explanation of Measure: The actual number of student-weeks of training divided by the number requested by the participating agencies, converted to a percentage.

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Federal Law Enforcement Training Center Performance Goal: Achieve 80% on Student Quality of Training survey; conduct 100% of basic training requests; keep variable costs to \$149 per student week; and conduct 4 Personnel input forums

Performance Measure: Number of Personnel Input Forums Conducted (Forums Give Employees the Opportunity to Discuss Any Topic Affecting FLETC's Operations)

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	9	18	4	12

Explanation of Measure: FLETC conducts periodic forums in which personnel can provide input on any topic affecting the Center's operation. The number conducted is compared to the number planned. This measure will be discontinued in FY 2001.

Performance Measure: Variable Unit Cost per Student-Week of Basic Training

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
\$127	\$129	\$165	\$149	\$146

Explanation of Measure: The cost is calculated taking the actual expenses divided by the number of basic student-weeks trained.

Treasury Objective: Develop and Operate State-of-the-Art Facilities and Systems Responsive to Interagency Training Needs

Key Trends

In order to comply with a Congressional mandate to close the Charleston, South Carolina training site by FY 2004, the Federal Law Enforcement Training Center (FLETC) has developed a Five-year Construction Plan for the Glynco, Georgia, and Artesia, New Mexico campuses. This plan will provide the facilities to accommodate both the Border Patrol training workload and the projected workload of the remaining 73 participating organizations at the Glynco and/or Artesia. The FLETC also continues to move forward with the concept of an accreditation process that would lead to the establishment of professional standards for accrediting Federal law enforcement training organizations.

Treasury Programs

The FLETC began training students in 1970 with the mission of providing high quality law enforcement training programs in state-of-the-art facilities. In recent years, the FLETC has become recognized in the law enforcement community as the benchmark of excellence in law enforcement training. Since 1970, the number of Federal agencies who train at the FLETC has grown from 18 to 74.

One of the FLETC's strategic goals is to significantly expand the access to and availability of quality law enforcement training. This includes providing sufficient capacity to meet the increasing training requirements of our clients, including the needs of law enforcement organizations that would otherwise be unable to use the FLETC because of capacity constraints or cost considerations. The FLETC also carries out research in the various aspects of law enforcement training.

The voluntary affiliation of 74 agencies requires that the FLETC continually balance competing needs and demands among the participating organizations. The FLETC must also be flexible enough to respond to changes resulting from budget decisions, new Administration and Congressional initiatives, fluctuations in training demands, and variations in recruitment within the participating agencies as they impact the delivery of law enforcement training.

FY 2000 Key Accomplishments and Performance Results

Key Accomplishments

A plan was developed to generate the training capacity needed to meet the U.S. Border Patrol's (USBP) law enforcement training requirements during and after the closure of the temporary training facility at Charleston, South Carolina. The study supports the transfer of all USBP training to the FLETC's Artesia, New Mexico facility by FY 2004 and the retention of all Bureau of Indian Affairs training at that site. Current funding and projected plans/requests allow for significant enhancement to Artesia's physical training plant and throughput capacity.

As part of the Master Plan process, the FLETC continued to construct new facilities at Glynco and Artesia in FY 2000, as well as to make improvements to existing infrastructure. In January, the main entrance and commercial gate facilities at Glynco were completed. Also completed in FY 2000 were a 60,000-square-foot dormitory and four new indoor/outdoor firing ranges.

Several new facilities at the Artesia training center were also completed in FY 2000. These include a 28,000 square-foot classroom/practical exercise building, a Security/Registration building, and a new main entrance.

During the past year, a formal distributed learning implementation strategy was drafted and approved, and the FLETC began developing the distributed learning architecture blueprint to design the "Virtual FLETC" infrastructure. The FLETC continues to move forward on the use of various distributed learning technologies to reduce the cost of training and to make training more convenient and affordable for the Center's customers. Finally, a FLETC Federal/state/local web-training project was established and implemented during FY 2000.

Department of the Treasury – FY 2000 Program Performance Report

Performance Results

Following is a report on the performance targets in Treasury's FY 2000 Performance Plan related to this objective:

Performance Summary				
Total Measures	Targets Met	Targets Not Met	Other	Maximum or Improved Performance
2	2 (100%)	0	0	1 (50%)

Federal Law Enforcement Training Center Performance Goal: Achieve 80% on Student Quality of Services Survey and assess/modify Master Plan

Performance Measure: Student Quality of Services Survey

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	--	99%	80%	100%

Explanation of Measure: Students in basic and advanced training programs complete surveys on the quality of administrative support services. This measures the percentage of basic training students rating service quality at satisfactory or higher levels.

Performance Measure: Finalize a Comprehensive Development Plan

FY 1997 Performance	FY 1998 Performance	FY 1999 Performance	FY 2000	
			Target	Performance
--	Initiate Plan	Revise Plan	Finalize Plan	Plan Finalized

Explanation of Measure: The review will take into consideration the training needs of the FLETC's customers. The end result will be the compilation of a living document that will be capable of being revised and changed as the requirements dictate. The FLETC's new Strategic Plan and Five-year Construction Plan includes strategies to direct FLETC resources to meet the changing needs of its customers.